

From: Ellis, Rebecca
Sent: Monday, March 28, 2016 12:43 PM
To: Schuren, Alyssa
Cc: Blatt, Eric
Subject: FW: Bennington PFOA Contamination - Potential Funding Option
Attachments: 2016-03-28 Capital Bill - Memo from Schuren to Emmons.docx

Categories: SGPP Bennington, PFOA

Hi Alyssa,

I have updated the attached memo per Eric's suggestion. We need to get back to the legislature today if we want the Appropriations Committee to consider this request tomorrow, when they take up the Capital Bill. We'll have another chance in the Senate if we need to defer the decision for a few days.

Rebecca

From: Blatt, Eric
Sent: Monday, March 28, 2016 9:10 AM
To: Ellis, Rebecca <Rebecca.Ellis@vermont.gov>; Schuren, Alyssa <Alyssa.Schuren@vermont.gov>
Cc: Nicolai, Jean <Jean.Nicolai@vermont.gov>; Pallito, Joanna <Joanna.Pallito@vermont.gov>; Chapman, Matt <Matt.Chapman@vermont.gov>; Desch, George <George.Desch@vermont.gov>; Schwer, Chuck <Chuck.Schwer@vermont.gov>
Subject: RE: Bennington PFOA Contamination - Potential Funding Option

Rebecca –

I agree w/broadening access to the planning loan fund. However, as an FYI, the population figures used in the drinking water program represent the number of customers served by a public water system, which will not necessarily be the same as the population of the municipality in which the system is located. The significance of 10,000 is that it is a federal and state regulatory threshold for what is defined as a Large Public Water System. Vermont has 7 systems that now exceed that threshold. My suggestion would be to just eliminate the 10K cutoff in the statute, and by doing so, extend eligibility to those 7 systems.

From: Ellis, Rebecca
Sent: Saturday, March 26, 2016 10:50 PM
To: Schuren, Alyssa <Alyssa.Schuren@vermont.gov>; Blatt, Eric <Eric.Blatt@vermont.gov>
Cc: Nicolai, Jean <Jean.Nicolai@vermont.gov>; Pallito, Joanna <Joanna.Pallito@vermont.gov>; Chapman, Matt <Matt.Chapman@vermont.gov>; Desch, George <George.Desch@vermont.gov>; Schwer, Chuck <Chuck.Schwer@vermont.gov>
Subject: RE: Bennington PFOA Contamination - Potential Funding Option

Hi Alyssa,

The Capital Bill will be taken up in House Appropriations on Tuesday 3/29. There are 3 amendments that would be nice to see on the Capital Bill when it gets to the House Floor later this week. If you think it's advisable, I have prepared a memo for you to send to Rep. Mitzi Johnson and Rep. Alice Emmons on Monday morning. Eric has already alerted the committee via Catherine Benham regarding #1 and #2. I've included a suggestion to expand eligibility for the VT Drinking Water Planning Loan Fund as suggestion #3.

By the way, according to the 2010 census, Bennington's population is 15,764, so I suggested raising the population threshold from 10,000 to 20,000 people.

Rebecca

From: Schuren, Alyssa
Sent: Saturday, March 26, 2016 8:58 PM
To: Blatt, Eric <Eric.Blatt@vermont.gov>

Cc: Ellis, Rebecca <Rebecca.Ellis@vermont.gov>; Nicolai, Jean <Jean.Nicolai@vermont.gov>; Pallito, Joanna <Joanna.Pallito@vermont.gov>; Chapman, Matt <Matt.Chapman@vermont.gov>; Schwer, Chuck <Chuck.Schwer@vermont.gov>; Desch, George <George.Desch@vermont.gov>
Subject: Re: Bennington PFOA Contamination - Potential Funding Option

Eric- We are pressing Saint-Gobain to pay. That said, the leg idea is a good one. I passed this on to Deb. - Alyssa

Alyssa B. Schuren
Commissioner
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On Mar 25, 2016, at 2:34 PM, "Blatt, Eric" <Eric.Blatt@vermont.gov> wrote:

The system population according to the WSD database (SDWIS) is 13,250. I think we are at a point in time (unlike when the legislation was created in 1997) to extend this fund to the larger systems. We currently have roughly \$3M in the fund, so I do not foresee a problem with a shortage of these funds anytime soon. We also have the ability to prioritize planning loans (which to date, we have not had to resort to) and could limit the amount to larger systems thru that process. The loan fund and statutory limitations are found at 24 VSA §4753(a)(5).

From: Ellis, Rebecca
Sent: Friday, March 25, 2016 2:19 PM
To: Blatt, Eric <Eric.Blatt@vermont.gov>
Cc: Nicolai, Jean <Jean.Nicolai@vermont.gov>; Schuren, Alyssa <Alyssa.Schuren@vermont.gov>; Pallito, Joanna <Joanna.Pallito@vermont.gov>
Subject: RE: Bennington PFOA Contamination - Potential Funding Option

Hi Eric,

Do you happen to know the population of Bennington? As a general matter, would it make sense to expand eligibility to the VT Drinking Water Planning Loan Fund to larger communities? And finally, can you send me the statutory cite ? Thanks,

Rebecca

From: Blatt, Eric
Sent: Friday, March 25, 2016 11:34 AM
To: Schuren, Alyssa <Alyssa.Schuren@vermont.gov>; Ellis, Rebecca <Rebecca.Ellis@vermont.gov>; Pallito, Joanna <Joanna.Pallito@vermont.gov>
Cc: Nicolai, Jean <Jean.Nicolai@vermont.gov>
Subject: Bennington PFOA Contamination - Potential Funding Option
Importance: High

Alyssa/Rebecca –

Jean Nicolai will be meeting next Wednesday on the PFOA issue and needs to know what funding options are available to North Bennington and Bennington for engineering planning. Planning funding for North Bennington is straightforward as we can provide a loan from the VT Drinking Water Planning Loan Fund. However, Bennington is more problematic. Current state law limits access to this fund to systems under 10K in population – Bennington

exceeds the limit – while federal law does not impose a population limit. My question for you is whether we should be pursuing one-time emergency legislation (or a permanent change for similar circumstances) to expand access to this fund to enable Bennington to receive a loan as a funding option. If so, one option might be to find out if this could be done via the capital bill which goes to the House floor next week.

Rebecca – Are there other approaches that would be quicker?

Mailing Address:

Eric Blatt, Director

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Montpelier VT 05620-3510

Phone Number: (802) 585-4901

"Note: Written communications to and from state officials regarding state business are considered public records and will be available to the public for review."

MEMORANDUM

To: Rep. Mitzi Johnson, Chair, House Appropriations Committee
Rep. Alice Emmons, Chair, House Corrections & Institutions Committee

From: Alyssa Schuren, Commissioner, Department of Environmental Conservation
Eric Blatt, Director, Facilities and Engineering Division

Re: H.878 Capital Bill – Requested amendments

Date: March 28, 2016

H.878 Capital Bill (Referred to the Appropriations Committee)

1. The reallocation section of the bill in Section 11(b)(7), page 12 of 22, line 12 specifies that \$500,000 from the Vermont Pollution Control Revolving Fund is to be reallocated; however, that figure is too high as there is currently only \$496,147.71 in the account, so that is the maximum amount that should be specified.
2. Section 11(b)(8), page 12 of 22, line 14 specifies that \$200,000 from the Vermont Water Source Protection Fund be reallocated for other state projects, which cannot be done since these are derived from federal funds and under federal rules cannot be used for other purposes. However, if the committee wishes to transfer these funds where they will likely be used sooner, they can be transferred to the Vermont Environmental Protection Agency (EPA) Drinking Water Revolving Fund. Note that this can be done without legislative action as the authority for this transfer exists at 24 V.S.A. § 4753(b).
3. DEC needs authority to extend planning loans for drinking water systems to Bennington through the "Vermont Drinking Water Planning Loan Fund." Current state law limits eligibility to towns with populations under 10,000; federal law does not impose any population limits. North Bennington and Pownal are eligible for loans under this program, while Bennington, with population at 15,764 (2010 Census) is not eligible. Given needs in these communities following the discovery of PFOA in private and public drinking water, DEC requests that the Legislature strike the population threshold.

The fund was created in 1997 and the population limit has not been adjusted since that time. There is currently about \$3 million in the fund, and DEC does not anticipate any shortage. DEC has authority to prioritize planning loans (which to date, DEC has not done) and could limit loans through the prioritization process if necessary.

The loan fund and statutory limitations are found at 24 VSA §4753(a)(5).

24 V.S.A. §4753(a)(5). The Vermont Drinking Water Planning Loan Fund which shall be used to provide loans to municipalities and privately owned, nonprofit community water systems, with populations of less than 10,000, for conducting feasibility studies and for the preparation of preliminary engineering planning studies and final engineering plans and specifications for improvements to public water systems in order to comply with State and federal standards and to protect public health. The Secretary may forgive up to \$50,000.00 of the unpaid balance of a loan made from the Vermont Drinking Water Planning Loan Fund to municipalities after project construction is substantially completed. The Secretary shall establish amounts, eligibility, policies, and procedures for loan forgiveness in the annual State Intended Use Plan (IUP) with public review and comment prior to finalization and submission to the U.S. Environmental Protection Agency.